

Administration of Joseph R. Biden, Jr., 2023

Statement on Holding Senior Executives Accountable for Bank Failures

March 17, 2023

This week, we took decisive action to stabilize the banking system without putting taxpayer dollars at risk. That action was necessary to protect jobs and small businesses, and no losses will be borne by the taxpayers. Our banking system is more resilient and stable today because of the actions we took. On Monday morning, I told the American people and American businesses that they should feel confident that their deposits will be there if and when they need them. That continues to be the case.

I also said that I'm firmly committed to accountability for those responsible for this mess. No one is above the law, and strengthening accountability is an important deterrent to prevent mismanagement in the future. The law limits the administration's authority to hold executives responsible. When banks fail due to mismanagement and excessive risk taking, it should be easier for regulators to claw back compensation from executives, to impose civil penalties, and to ban executives from working in the banking industry again. Congress must act to impose tougher penalties for senior bank executives whose mismanagement contributed to their institutions failing.

Categories: Statements by the President : Bank failures, executive accountability.

Subjects: Banks and financial institutions, executive accountability; Banks and financial institutions, mismanagement and failures; Banks and financial intuitions, Federal oversight and receivership.

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